

**CITY OF GOODYEAR  
CITY COUNCIL ACTION FORM**

<b>SUBJECT:</b> Cooperative Agreement No. 04-FC-32-0190, between the City as lead agent for WESTCAPS, and the Bureau of Reclamation.	<b>STAFF PRESENTER:</b> Alfonso L. Rodriguez <b>COMPANY</b> <b>CONTACT:</b>
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**RECOMMENDATION:**

Council to approve the cooperative agreement No. 04-FC-32-0190 between the Bureau of Reclamation and the City as a lead agent for the West Valley Central Arizona Project Sub-Contractors (WESTCAPS), entitled Brackish Water Treatment Plant Study, under the West Salt River Valley Water Management Study Appropriations.

**COMMUNITY BENEFIT:**

The City of Goodyear, through participation in the WESTCAPS organization is a lead municipal entity in seeking and implementing strategically sound solutions to West Valley water problems. The City of Goodyear is the fiscal agency for the WESTCAPS.

WESTCAPS is engaged in approaching common water resources related challenges together amongst neighboring municipal water providers. Brackish water, high in total dissolved solids (TDS), could be a significant water resource. Members of the WESTCAPS will benefit from this federal grant by finding technical solutions to existent challenges in the treatment and utilization of brackish water. The grant will be managed by the Bureau of Reclamation at the Phoenix Area Office. In kind contributions for this Brackish Water Treatment Plant Study will be a joint effort from all members participating in the WESTCAPS.

The Total Value of the Agreement is \$250,000.

- Bureau of Reclamation contribution is \$73,000 (cost share is 29.2%)
- WESTCAPS members in kind contribution is \$177,000 (cost share is 70.8%)

**DISCUSSION:**

There are several public and private entities located in the west valley of Maricopa County, Arizona that are municipal water providers. The majority of the entities are small municipalities and private water companies with limited financial resources. As a result these municipal water providers have formed the WESCAPS organization to approach common water challenges. The City of Goodyear has a role as fiscal agent for this organization. One of the goals of WESCAPS is to seek and manage grants other funding alternatives that could be applied to tackle water problems common to its membership.

Brackish water, high in TDS, is a significant water source in the Southwest Valley; however, the use of this water resource presents a technical challenge for its cost effective treatment. The purpose of this study is to find sound solutions such that brackish water utilization could be a water source alternative. Finding water resources is important given that the Arizona Groundwater Management Act establishes a goal for the Phoenix Active Management Area

to achieve safe yield by 2025. Arizona law requires new development to demonstrate a 100-year water supply. The West Valley is experiencing increasing urbanization and growth which increases water demand. Existing water demand also contributes to the depletion of the groundwater supply.

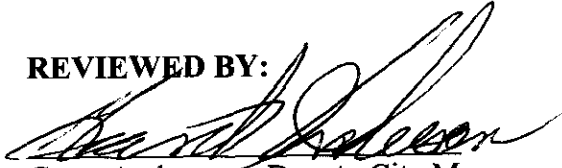
### **FISCAL IMPACT**

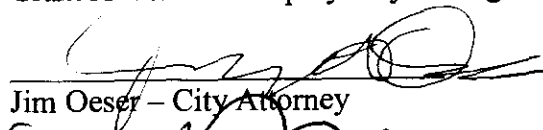
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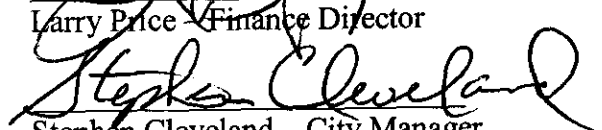
All contributions from the City and members of WESTCAPS will be in kind. The in kind contribution for the City of Goodyear will be identified from work and studies already performed.

**REVIEWED BY:**

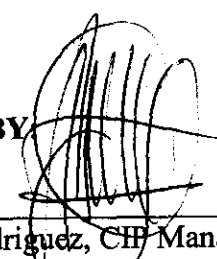
  
Grant Anderson – Deputy City Manager

  
Jim Oeser – City Attorney

  
Larry Price – Finance Director

  
Stephen Cleveland – City Manager

**PREPARED BY:**

  
Alfonso L. Rodriguez, CHM Manager

UNITED STATES DEPARTMENT OF THE INTERIOR  
BUREAU OF RECLAMATION  
**ASSISTANCE AGREEMENT**

<b>1. AGREEMENT NUMBER</b>  04-FC-32-0190		<b>2. TYPE OF AGREEMENT</b> <input type="checkbox"/> GRANT <input checked="" type="checkbox"/> COOPERATIVE AGREEMENT		<b>3. CLASS OF RECIPIENT</b>  City or township government													
<b>4. ISSUING OFFICE (NAME, ADDRESS)</b> PXAO 8000 Phoenix Area Office Bureau of Reclamation P.O. Box 81169 Phoenix, Arizona 85069-1169			<b>5. RECIPIENT (NAME, ADDRESS, TELEPHONE)</b> City of Goodyear 190 North Litchfield Road Goodyear, Arizona 85338 623-882-7061 DUNS #: 145558008      EIN #: 86-600249														
<b>6. ADMINISTRATIVE POINT OF CONTACT (NAME, ADDRESS, TELEPHONE, E-MAIL)</b> Michael F. Doody (PXAO-8018) Bureau of Reclamation P.O. Box 81169 Phoenix, Arizona 85069-1169 Phone: 602-216-3883, E-mail: mdoody@lc.usbr.gov			<b>7. RECIPIENT PROJECT MANAGER (NAME, ADDRESS, TELEPHONE, E-MAIL)</b> Alfonso L. Rodriguez CIP Manager 190 North Litchfield Road Goodyear, Arizona 85338 Phone: 623-882-7061														
<b>8. TECHNICAL REPRESENTATIVE (NAME, ADDRESS, TELEPHONE, E-MAIL)</b> William Doyle, P.E. Bureau of Reclamation P.O. Box 81169 Phoenix, Arizona 85069-1169 Phone: 602-216-3843, E-mail: wdoyle@lc.usbr.gov			<b>9. EFFECTIVE DATE</b>  See Block 17A														
			<b>10. COMPLETION DATE</b>  January 31, 2005														
<b>11. PROGRAM STATUTORY AUTHORITY</b> Reclamation Act of 1902, as amended (43 U.S.C. Chapter 12), Reclamation Wastewater and Groundwater Study and Facility Act (P.L. 102-575, Title XVI, Section 1603)																	
<b>12. FUNDING INFORMATION</b>																	
<table border="1"><thead><tr><th></th><th>Recipient/Other</th><th>Reclamation</th></tr></thead><tbody><tr><td>Funds Obligated</td><td>\$177,000.00</td><td>\$73,000.00</td></tr><tr><td>Total Value of Agreement</td><td colspan="2">\$250,000.00</td></tr><tr><td>Cost Share Ratio:</td><td>70.80%</td><td>29.20%</td></tr></tbody></table>							Recipient/Other	Reclamation	Funds Obligated	\$177,000.00	\$73,000.00	Total Value of Agreement	\$250,000.00		Cost Share Ratio:	70.80%	29.20%
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Cost Share Ratio:	70.80%	29.20%															
<b>13. REQUISITION NUMBER</b>  04320700010																	
<b>14. ACCOUNTING AND APPROPRIATION DATA</b> Cost Authority: A10-1861-6002-305-00-0-0 Cost Center: 3207000 Object Code: 411C																	
<b>15. PROJECT TITLE AND BRIEF SUMMARY OF PURPOSE AND OBJECTIVES OF PROJECT</b> <u>Project</u> Brackish Water Treatment Plant Study Under the West Salt River Valley Water Management Study Appropriations <u>Title:</u> <u>Summary Description:</u>  See Page 3																	
<b>16a. Acceptance of this Assistance Agreement in accordance with the terms and conditions contained herein is hereby made on behalf of the above-named recipient</b>			<b>17a. Acceptance of this Assistance Agreement in accordance with the terms and conditions contained herein is hereby made on behalf of the United States of America, Bureau of Reclamation</b>														
<b>BY (signature)</b> <b>DATE</b>			<b>BY (signature)</b> <b>DATE</b>														
<b>16b. NAME, TITLE, AND TELEPHONE NUMBER OF SIGNER (Type or print)</b> Name: Alfonso L. Rodriguez Title: CIP Manager Telephone No.: 623-882-7062 <input type="checkbox"/> Additional signatures are attached			<b>17b. NAME OF GRANTS AND COOPERATIVE AGREEMENTS OFFICER (Type or print)</b> Name: Ruth Martin Title: Grants and Cooperative Agreements Officer Telephone No.: 602-216-3880														

DOCUMENTS INCORPORATED HEREIN BY REFERENCE: See Block 15

ORIGINAL

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## **I. Schedule**

### **1. Statement of Joint Objectives Article**

#### **Background:**

A 1995 study authorized by the Arizona legislature showed that most of the West Salt River Valley (WSRV) has experienced significant ground-water decline, resulting in up to 17 feet of land subsidence in portions of the WSRV. In addition, the WSRV is poised for continued urbanization that will significantly increase water demand. State law requires new development in the Phoenix metro area to demonstrate a 100-year assured water supply. Full use of CAP water is deemed critical to the continued development and prosperity of the WSRV.

Goodyear's goal is to plan and develop water delivery infrastructure to shift the communities' reliance from ground water to renewable supplies by year 2025.

#### **Purpose:**

The purpose of this cooperative agreement is to transfer funds to Goodyear for conducting a study toward the permitting and development of a brackish water treatment plant.

#### **Objectives:**

The objective of this Agreement is to study the issues toward permitting and development of a brackish water treatment plant. This requires that the water supply adequacy, reliability, and existing water quality be investigated for this water treatment plant

#### **Benefits:**

This cooperative agreement will benefit the general public in that the eventual building of the water treatment plant will provide sufficient capability of handling the water demands of the recipient.

### **2. Project Management Plan Article**

The respective roles, responsibilities, obligations and accountability which each participant to the agreement will assume in its effort to achieve the stated joint objectives are as follows:

#### **Recipient Responsibilities:**

1. Goodyear will be responsible for the completion of the study work, and the oversight of the work

2. Selection of the entity that will conduct the analysis, research, writing, editing, and publishing of the report on options for treating brackish water in the WSRV.
3. The information on ATTACHMENT 1 provides some insight as to what should be considered in the water analysis.
4. Provide reports as detailed in Section II.2.

**Reclamation Responsibilities:**

1. Administrator the transfer of Federal funds to Goodyear, in an amount not to exceed \$73,000 for the term of the agreement as described below (Section 5).
2. Reclamation will review, and provide comments on the draft report.

Item No.	BOR	Goodyear	Activities/Description	Activity/completion date
(a)		X	Commencement of activities toward Goodyear selection of contractor after execution of agreement	Within 14 calendar day of Agreement execution
(b)		X	Draft report due	Within 8 month of commencement of agreement
(c)	X		Review of Draft report	45 days after receipt of Draft report
(d)		X	Final report due	January 31, 2005
(e)	X		Transfer of funds	Upon submittal of a SF270
(f)		X	Financial Status Reports (Final)	90 days after the end of the cooperative agreement

**3. Financial Support Article**

Reclamation's total funding contribution for completion of the study is \$73,000, as detailed in the recipient's proposed budget, dated March 22, 2004. The recipient's budget is hereby incorporated by reference. The recipient will contribute \$177,000 toward this study. Total value of this mandatory cost-share agreement is \$250,000.

**4. Payment Article**

Payments will be made by reimbursement of actual cost incurred in the performance of the work authorized under this cooperative agreement and applicable standards pursuant to the Special Provisions in Section II, Subpart 6 (Payment Policy).

## **5. Term of the Agreement Article**

The effective date of this cooperative agreement is such date signed as executed in Block #17a. This cooperative agreement expires on January 31, 2005. If the parties determine a need for extending this cooperative agreement, such continuation will be made by bilateral modification in accordance with Special Provisions II.I.

## **6. Project Information System Article**

The study is meant to conduct a literary and technical research of issues associated with extraction, treatment, and utilization of brackish and other impaired ground waters for the conceptual development and siting of a treatment plant in the Goodyear area.

## **7. Property Management and Disposition Article**

The recipient is responsible for the management and security of property acquired or provided under this cooperative agreement until such time as disposition instructions are issued by the Grants and Cooperative Agreements Officer (GCAO) pursuant to the applicable property standards in the Special Provisions in the cooperative agreement.



## **II. Special Provisions**

### **1. Modifications**

Any changes to this agreement shall be made by means of a written modification. Reclamation may make changes to the agreement by means of a unilateral modification to deal with administrative matters, such as changes in address, no-cost time extensions, the addition of previously agreed upon funding, or deobligation of excess funds at the end of the agreement. Additionally, a unilateral modification may be utilized by Reclamation if it should become necessary to suspend or terminate the agreement in accordance with 43 CFR 12.83 or 43 CFR 12.961, as applicable.

All other changes shall be made by means of a bilateral modification to the agreement. No oral statement made by any person, or written statement by any person other than the GCAO, shall be allowed in any manner or degree to modify or otherwise effect the terms of the Agreement.

All requests for modification of the Agreement shall be made in writing, provide a full description of the reason for the request, and be sent to the attention of the GCAO. Any request for project extension shall be made at least 45 days prior to the expiration date of the agreement or the expiration date of any extension period that may have been previously granted. Any determination to extend the period of performance or to provide follow-on funding for continuation of a project is solely at the discretion of Reclamation.

### **2. Reporting Requirements and Distribution**

The recipient will provide reports to the government in accordance with 43 CFR 12.80 and 12.81, or 12.950, 12.951 and 12.952, as applicable.

#### **(1) Financial Reports.**

All financial reports shall be signed by an Authorized Certifying Official for the recipient's organization.

(a) SF-269 or SF-269a, Financial Status Report. This form is utilized to report total expenditures for the reporting period. The SF-269 must be used if the recipient is accountable for the use of program income; otherwise, the SF-269a may be used.

An original and two copies of this form shall be submitted quarterly within 30 days following the end of the reporting period.

A final SF-269 or SF-269a shall be submitted within 90 days following completion of the cooperative agreement.

(b) SF-272, Report of Federal Cash Transactions. This report shall be submitted by recipients that draw down cash advances by means of electronic funds transfer or Treasury check. Recipients shall identify in the "Remarks" section the amount of cash advances received in excess of 3 days prior to disbursement and explain actions taken to reduce excess balances.

An original and two copies of this form shall be submitted on a quarterly basis within 15 days following the end of the reporting period.

(2) Program Performance Reports.

(a) Interim Reports. Recipients shall submit an original and two copies of program performance reports on a quarterly basis within 30 days following the end of the reporting period. Program performance reports shall contain the following:

(i) A comparison of actual accomplishments with the goals and objectives established for the reporting period;

(ii) Where project output can be quantified, a computation of the cost per unit of output;

(iii) When appropriate, reasons why goals and objectives were not met; and

(iv) Other pertinent information including, when appropriate, analysis and explanation of cost overruns or high unit costs.

(b) Annual Reports. An original and two copies of an annual program performance report shall be submitted within 90 days following the end of each year of the agreement. Copies of this report may be required to be included with any application for continuing support of the agreement.

(c) Final Report. An original and two copies of the final program performance report shall be submitted no later than 90 days following the expiration or termination of the agreement.

(3) Significant Developments.

During the term of the agreement, the recipient must immediately notify the GCAO if any of the following conditions become known:

(a) Problems, delays or adverse conditions which will materially impair their ability to meet the objectives of the agreement;

(b) Favorable developments which enable the recipient to meet time schedules and objectives sooner than or at less cost than projected or to produce more beneficial results than originally planned.

This notification is to include information on the actions taken or contemplated to resolve problems, delays, or adverse conditions, and any assistance needed from Reclamation to help resolve the problem.

(4) Report Distribution. Copies of reports shall be distributed as follows:

	To the GCAO at the address in Block 6, Page 1	To the GCAOR at the address in Block 8, Page 1
Financial Reports	2	1
Performance Reports	1	2
Significant Developments	2	1

### **3. Key Personnel**

The Recipient's key personnel for this agreement are identified as follows:

Mr. Alfonso Rodriguez

### **4. Grants And Cooperative Agreements Officer's Representative (GCAOR)**

The GCAOR for this agreement will be:

William Doyle, P.E.  
Bureau of Reclamation  
P.O. Box 81169  
Phoenix, Arizona 85069-1169  
Phone: 602-216-3843, E-mail: wdoyle@lc.usbr.gov

The GCAOR is authorized to act only on technical matters during the term of this Agreement. The GCAOR and the Recipient's Project Manager shall work closely to insure that all requirements of the Agreement are being met. The GCAOR's responsibilities include, but are not limited to, the following:

- (a) Assist the Recipient concerning the accomplishment of the tasks described in the Agreement;
- (b) Provide information to the Recipient which assists in the interpretation of the tasks; and
- (c) Review, and where required, approve reports and information to be delivered to the Government.

Technical assistance must be within the general scope of the Agreement. The GCAOR does not have the authority to, and may not, issue any technical assistance which:

- (a) Constitutes an assignment of additional work outside the general scope of the Agreement;

(b) In any manner causes an increase or decrease in the total estimated cost or the time required for performance; or

(c) Changes any of the expressed terms, conditions, or specifications.

## **5. Payments**

Payment will be made in accordance with the requirements of 43 CFR 12.61, which provides that the recipient shall be paid in advance, provided it maintains or demonstrates the willingness and ability to maintain procedures to minimize the time elapsing between the transfer of funds and the disbursement by the recipient. Funding requests shall be submitted on Standard Form SF-270, Request for Advance or Reimbursement. This form may be submitted on a monthly basis, at least two weeks prior to the date on which the funds are required, and with advance payment requests limited to immediate cash needs for the following 30-day period.

Mail two copies of payment request documents to:

Michael F. Doody (PXAO-8018)  
Bureau of Reclamation  
P.O. Box 81169  
Phoenix, Arizona 85069-1169  
Phone: 602-216-3883, E-mail: mdoody@lc.usbr.gov

## **6. Payment Policy**

Acceptance of a financial assistance agreement from Reclamation creates a legal responsibility on the part of the recipient organization to use the funds and property provided in accordance with the terms and conditions of the agreement. Reclamation has a reversionary interest in the unused balance of funding and in any funds improperly applied.

Payments to recipients are made in accordance with the basic standards and methods stated in the payment regulations at 43 CFR 12.61 or 43 CFR 12.922, as applicable to this agreement. These requirements are intended to minimize the time elapsing between the transfer of funds from the Federal government and the disbursement of these funds by the recipient.

Payment will be made in advance or by reimbursement as follows:

(1) Advance Payment. Recipients shall be paid in advance provided (i) they maintain or demonstrate the willingness and ability to maintain procedures to minimize the time elapsing between the transfer of funds and their disbursement by the recipient, (ii) they comply with reporting requirements for timely submission of cash disbursement and cash balance reports, and (iii) they impose these same standards on subrecipients.

Advances to recipients shall be limited to the minimum amounts needed and shall be timed to be in accordance with the actual, immediate cash requirements of the recipient in carrying out the

purpose of the agreement. The timing and amount of cash advances shall be as close as administratively feasible (generally no more than 3 days) to actual disbursements for direct program costs and the proportionate share of allowable indirect costs.

(2) Reimbursement. Reimbursement shall be the preferred method of payment when a recipient (i) does not meet the requirements for advance payment stated above; (ii) does not have financial management systems that meet the standards in 43 CFR 12.60 or 43 CFR 12.921, as applicable; or (iii) has been converted to payment restrictions for non-compliance with the terms and conditions of the agreement. Reimbursement is also the preferred method of payment for agreements involving construction.

## **7. Payment Method**

Electronic Funds Transfer. Payments under this agreement will be made to recipients by electronic funds transfer (EFT) unless the recipient qualifies for exemption from this payment method. Reclamation utilizes the Automated Clearinghouse (ACH) Vendor Express payment system for EFT. Whether funds are paid in advance or as a reimbursement, the actual payment will be made through Vendor Express. Vendor Express allows the Government to transfer funds to a recipient's financial institution along with explanatory information regarding the payment.

Enrollment. Upon award, recipients will receive a copy of the SF-3881, ACH Vendor/Miscellaneous Payment Enrollment Form. This form is required to implement the Vendor Express system and to notify Reclamation of any change or corrections to financial institution information.

## **8. Requesting Payments**

Requests for advance or reimbursement may be made by the following methods:

(1) SF-270, Request for Advance or Reimbursement. On a monthly basis, recipients may submit an original and two copies of a properly certified SF-270 form to the address identified in [Block [6], page 1] of this agreement. For advance payments, this form may be submitted on a monthly basis, at least two weeks prior to the date on which funds are required, and on the basis of expected disbursements for the succeeding month and the amount of Federal funds already on hand. Requests for reimbursement may be submitted on a monthly basis, or more frequently if authorized by the GCAO. Requested funds are delivered to the recipient via ACH Vendor Express. This form is available on the Internet at <http://www.whitehouse.gov/omb/grants/index.html>.

(2) SF-271, Outlay Report and Request for Reimbursement for Construction Programs. The SF-271 shall be used for construction agreements paid by the reimbursement method, letter of credit, electronic funds transfer, or Treasury check advance, except where the advance is based on periodic requests from the recipient, in which case the SF-270 shall be used. This request may be submitted on a quarterly basis, but no less frequently than on an annual basis. Recipients may submit an original and two copies of a properly certified SF-271 form to the address identified in

[Block [6], page 1] of this agreement. This form is available on the Internet at <http://www.whitehouse.gov/omb/grants/index.html>.

(3) Automated Standard Application for Payments (ASAP). Recipients may utilize the Department of Treasury ASAP payment system to request advances or reimbursements. ASAP is a recipient-initiated payment and information system designed to provide a single point of contact for the request and delivery of Federal funds. Once a request is made through ASAP, funds are provided to the recipient either through ACH or Fedwire. Further information regarding ASAP may be obtained from the ASAP website at <http://www.fms.treas.gov/asap>. Upon award, you will be provided with information regarding enrollment in the ASAP system.

## **9. Funds Available for Payment**

Pursuant to the Act of Congress of June 17, 1902 (32 Stat. 388), and acts amendatory thereof or supplementary thereto, all commonly known as Reclamation Law, funds for payment under the first year of this agreement are included in the fiscal year 2004 Energy and Water Development Appropriation Act, Public Law 108-137. Funding for any optional year of the agreement is contingent upon subsequent Congressional funding.

## **10. Budget**

Contingent upon availability of funds and in accordance with the provision entitled, "Funds Available for Payment," the total estimated Reclamation share for this agreement is as follows:

For the Period from Date of Execution through January 31, 2005, funds in the total amount of funds obligated by Reclamation is \$73,000. Goodyear's contribution is \$177,000. Under this mandatory cost-share agreement, total funds obligated for this Agreement are \$250,000.

Description	Reclamation	Goodyear	Total
Obligated Funds	\$73,000.00	\$177,000.00	\$250,000.00

## **11. Budget Revisions**

The Recipient shall follow the requirements at 43 CFR 12.70(c) or 43 CFR 12.925, as applicable, when making revisions to budget and program plans. Additionally, approval shall be requested for transfers of amounts budgeted for indirect costs to absorb increases in direct costs, or vice versa.

## **12. Reimbursable Costs and Limitations**

(1) The Recipient shall provide all personnel, services, facilities, equipment, materials and supplies, and perform all travel which may be necessary and appropriate for the proper performance of this Agreement. Costs so incurred will be paid for as provided herein. Reclamation's obligation to provide funding to the Recipient for costs incurred in these connections shall be limited to the Recipient's direct and indirect costs associated with this

Agreement. All such direct and indirect costs must be determined to be allowable under the regulations contained in 48 CFR Subpart 31.2 or an OMB Cost Principle Circular, as applicable, which are incorporated herein through the General Provisions of this agreement.

(2) The recipient shall not incur costs or obligate funds for any purpose pertaining to operation of the program or activities beyond the expiration date stated in the agreement. The only costs which are authorized for a period of up to 90 days following the award expiration date are those strictly associated with closeout activities for preparation of the final report.

(3) Reclamation shall not be obligated to provide funding to the Recipient and the Recipient shall not be obligated to continue performance under the Agreement or to incur costs in excess of the costs set forth in the annual project budget unless the GCAO has furnished the Recipient a modification to increase the available funding for the Agreement.

### **13. Procurement Standards**

When utilizing Federal funds for the procurement of supplies and other expendable property, equipment, real property, and other services under this agreement, the Recipient shall utilize the Procurement Standards set forth at 43 CFR 12.76 or 43 CFR 12.940 -12.948, as applicable. The Recipient may be required to submit evidence that its procurement procedures are in compliance with the standards stated therein. Additional guidance for contracting with small and minority firms, and women's business enterprises is included in the General Provisions section of this agreement.

### **14. Property Standards**

All property, equipment and supplies acquired by the Recipient with Federal funds shall be subject to usage, management, and disposal in accordance with the Property Standards at 43 CFR 12.72 - 12.73, or 43 CFR 12.930 - 12.937, as applicable.

### **15. Property Standards (Real Property)**

In accordance with 43 CFR 12.71 or 43 CFR 12.932, as applicable, if real property is acquired in whole or in part under this agreement, it shall be subject to the following regulations:

(1) Title. Title to real property acquired under this agreement shall vest upon acquisition in the Recipient or Subrecipient, shall be used for the originally authorized purpose of the project as long as it is needed, and shall not be disposed of or encumbered without Reclamation approval.

(2) Disposition. When the real property is no longer needed for the originally authorized purpose, the Recipient or Subrecipient shall request disposition instructions from Reclamation. The instructions shall provide for one of the following alternatives:

(2.1) Transfer. The Recipient may be permitted to transfer the property to another Federally-sponsored project if the Recipient determines that the property is no longer needed for the

purpose of the original project. Use in other projects or programs shall be limited to those with have purposes consistent with those authorized for support by the Department of the Interior.

(2.2) Retention of Title. The Recipient may be allowed to retain the title after compensating Reclamation for that percentage of the current fair market value of the property attributable to the Federal government's financial participation in the project.

(2.3) Sale of Property. The Recipient may be directed to sell the property under guidelines provided by Reclamation, and to compensate Reclamation in an amount calculated by applying Reclamation's percentage of participation in the cost of the original purchase to the proceeds of the sale after deduction of any actual and reasonable selling and fix-up expenses. When the Recipient is directed to sell the property, sales procedures shall be followed that provide for competition to the extent practicable and result in the highest possible return.

(2.4) Transfer of Title. The Recipient may be directed to transfer title to Reclamation or to an eligible third-party. The Recipient shall be entitled to compensation for its attributable percentage of the current fair market value of the property.

## **16. Inspection**

Reclamation has the right to inspect and evaluate the work performed or being performed under this agreement, and the premises where the work is being performed, at all reasonable times and in a manner that will not unduly delay the work. If Reclamation performs inspection or evaluation on the premises of the Recipient or a subrecipient, the Recipient shall furnish and shall require subrecipients to furnish all reasonable facilities and assistance for the safe and convenient performance of these duties.

## **17. Audit**

Recipients are responsible for obtaining audits in accordance with the Single Audit Act Amendments of 1996 (31 U.S.C. 7501-7507) and revised OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations." Audits shall be made by an independent auditor in accordance with generally accepted government auditing standards covering financial audits. Additional audit requirements applicable to this agreement are found at 43 CFR 12.66 or 43 CFR 12.926, as applicable. General guidance on the single audit process is included in a pamphlet titled, "Highlights of the Single Audit Process" which is available on the internet at <http://www.dot.gov/ost/m60/grant/sincontact.htm>.

## **18. Enforcement**

In accordance with 43 CFR 12.83 or 43 CFR 12.962, as applicable, if the recipient materially fails to comply with any term of this agreement, whether stated in a Federal statute or regulation, an assurance, in a State plan or application, a notice of award, or elsewhere, Reclamation may take one or more of the following actions as appropriate:



- (1) Temporarily withhold cash payments pending correction of the deficiency by the recipient or subrecipient or more severe enforcement action by the awarding agency;
- (2) Disallow (deny both use of funds and any matching credit for) all or part of the cost of the activity or action not in compliance;
- (3) Wholly or partly suspend or terminate the current award for the recipient's or subrecipient's program;
- (4) Withhold further awards for the program; or
- (5) Take other remedies that may be legally available.

## **19. Termination**

In accordance with 43 CFR 12.84 or 43 CFR 12.961, as applicable, and except as provided for in the provision entitled, "Enforcement," this agreement may be terminated in whole or part only as follows:

- (1) By the awarding agency with the consent of the recipient or subrecipient in which case the two parties shall agree upon the termination conditions, including the effective date and in the case of partial termination, the portion to be terminated, or
- (2) By the recipient or subrecipient upon written notification to Reclamation, setting forth the reasons for such termination, the effective date, and in the case of partial termination, the portion to be terminated. However, if, in the case of a partial termination, the awarding agency determines that the remaining portion of the award will not accomplish the purposes for which the award was made, the awarding agency may terminate the award in its entirety under either the provision entitled, "Enforcement," or paragraph (1) of this provision.

## **20. Preaward Incurrence of Costs**

See Section II.21. below.

## **21. Preaward Incurrence of Costs - Cost Sharing or Matching Agreements**

The Recipient shall be entitled to have incurred costs for this agreement, in a total amount not to exceed \$4,500, for allowable costs incurred on or after January 2004, which if had been incurred after execution of this Agreement, would have been allowable under the provisions of the agreement.

In accordance with the cost sharing or matching requirements of this agreement, the recipient is eligible to receive reimbursement for a portion of these total allowable costs in an amount not to exceed \$4,500.

Reimbursement of these costs shall subject to the funding limitations stated in the Provision entitled "Reimbursable Costs and Limitations."

## **22. Patents and Inventions**

The Patens and Inventions clause is excluded from this Agreement.

## **23. Copyrights**

(1) For recipients subject to the administrative standards set forth in OMB Circular A-102, the following copyright provision, as implemented by 43 CFR 12.936(a), shall apply:

"The recipient may copyright any work that is subject to copyright and was developed, or for which ownership was purchased, under an award. The Federal awarding agency(ies) reserves a royalty-free, nonexclusive and irrevocable right to reproduce, publish, or otherwise use the work for Federal purposes, and to authorize others to do so."

(2) For recipients subject to the administrative standards set forth in OMB Circular A-102 and the Grants Management Common Rule, the following copyright provision, as implemented by 43 CFR 12.74, shall apply:

"The Federal awarding agency reserves a royalty-free, nonexclusive, and irrevocable license to reproduce, publish or otherwise use, and to authorize others to use, for Federal Government purposes:

(a) The copyright in any work developed under a grant, subgrant, or contract under a grant or subgrant; and

(b) Any rights of copyright to which a grantee, subgrantee or a contractor purchases ownership with grant support."

## **24. Rights to Data**

For recipients subject to the administrative standards set forth in OMB Circular A-110, the following provision, as implemented by 43 CFR 12.936(c), shall apply:

"The Federal Government has the right to:

(1) Obtain, reproduce, publish or otherwise use the data first produced under an award; and

(2) Authorize others to receive, reproduce, publish, or otherwise use such data for Federal purposes."

### **III. General Provisions**

#### **1. Regulations and Guidance**

The regulations at 43 CFR, Part 12, Subparts A - F are hereby incorporated by reference as though set forth in full text. The following Office of Management and Budget (OMB) Circulars, as applicable, and as implemented by 43 CFR Part 12, are also incorporated by reference and made a part of this agreement. Failure of a recipient to comply with any provision may be the basis for withholding payments for proper charges made by the recipient and for termination of support. Copies of OMB Circulars are available on the Internet at <http://www.whitehouse.gov/OMB/circulars/index.html>. The implementation of the circulars at 43 CFR Part 12 is available at <http://www.access.gpo.gov/nara/cfr/cfr-table-search.html#page1>.

a. Agreements with colleges and universities shall be in accordance with the following circulars:

Circular A-21, revised August 8, 2000, "Cost Principles For Educational Institutions"

Circular A-110, as amended September 30, 1999, "Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations"

Circular A-133, revised June 24, 1997, "Audits of States, Local Governments, and Non-Profit Organizations"

b. Agreements with State and local governments shall be in accordance with the provisions of the following circulars:

Circular A-87, as amended August 29, 1997, "Cost Principles for State, Local, and Indian Tribal Governments"

Circular A-102, as amended August 29, 1997, "Grants and Cooperative Agreements with State and Local Governments" (Grants Management Common Rule, Codification by Department of Interior, 43 CFR 12)

Circular A-133, revised June 24, 1997, "Audits of States, Local Governments, and Non-Profit Organizations"

c. Agreements made with nonprofit organizations shall be in accordance with the following circulars and provisions:

Circular A-110, as amended September 30, 1999, "Uniform Administrative Requirements for Grants and Agreements With Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations"

Circular A-122, revised May 19, 1998, "Cost Principles for Non-Profit Organizations"

Circular A-133, revised June 24, 1997, "Audits of States, Local Governments, and Non-Profit Organizations"

d. All agreements with organizations other than those indicated above shall be in accordance with the basic principles of OMB Circular A-110, and cost principles shall be in accordance with 48 CFR Subpart 31.2 titled "Contracts with Commercial Organizations" which is available on the Internet at <http://www.access.gpo.gov/nara/cfr/cfr-table-search.html#page1>.

## **2. Assurances Incorporated by Reference**

The provisions of the Assurances executed by the Recipient in connection with this agreement shall apply with full force and effect to this agreement as if fully set forth in these General Provisions. Such Assurances include, but are not limited to, the promise to comply with all applicable Federal statutes and orders relating to nondiscrimination in employment, assistance, and housing; the Hatch Act; Federal wage and hour laws and regulations and work place safety standards; Federal environmental laws and regulations and the Endangered Species Act; and Federal protection of rivers and waterways and historic and archeological preservation.

## **3. Covenant Against Contingent Fees**

The recipient warrants that no person or agency has been employed or retained to solicit or secure this agreement upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide offices established and maintained by the recipient for the purpose of securing agreements or business. For breach or violation of this warranty, the Government shall have the right to annul this agreement without liability or, in its discretion, to deduct from the agreement amount, or otherwise recover, the full amount of such commission, percentage, brokerage, or contingent fee.

## **4. Contracting with Small and Minority Firms, and Women's Business Enterprises**

It is a national policy to award a fair share of contracts to small and minority business firms. The Department of the Interior is strongly committed to the objectives of this policy and encourages all recipients of its grants and cooperative agreements to take affirmative steps to ensure such fairness.

a. The grantee and subgrantee shall take all necessary affirmative steps to assure that minority firms, and women's business enterprises are used when possible.

b. Affirmative steps shall include:

(1) Placing qualified small and minority businesses and women's business enterprises on solicitation lists;

- (2) Assuring that small and minority businesses, and women's business enterprises are solicited whenever they are potential sources;
- (3) Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority business, and women's business enterprises;
- (4) Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority business, and women's business enterprises;
- (5) Using the services and assistance of the Small Business Administration, and the Minority Business Development Agency of the Department of Commerce as appropriate, and
- (6) Requiring the prime contractor, if subcontracts are to be let, to take the affirmative steps listed in b.(1) through (5) above.

## **5. Notice Regarding Buy American Act**

In accordance with Section 502 of the Energy and Water Development Appropriations Act, 2002, Pub. L. 107-66, please be advised of the following:

It is the sense of the Congress that, to the greatest extent practicable, all equipment and products purchased with funds made available in this Act should be American-made.

## **6. Resolving Disagreements**

When entering into a cooperative agreement with a recipient, Reclamation commits itself to working with the recipient in a harmonious manner to achieve the objectives of the project successfully. When disagreements arise between the parties, they must be resolved according to the procedures discussed below:

- a. Reclamation shall attempt first to resolve disagreements with the recipient through informal discussion among the Grants or Contract Specialist, the Program Officer, and the recipient's Project Director.
- b. If the disagreement cannot be resolved through informal discussion between these parties, the Grants Specialist and the Program Officer shall document the nature of the disagreement and bring it to the attention of the Grants Officer.
- c. After reviewing the facts of the disagreement, as presented by the Grants and Program Offices, the Grants Officer will arrange a formal meeting. If agreement still cannot be reached, the parties will collectively decide on any varied approaches which might be used to resolve the disagreement. The parties shall be responsible for their individual expenses related to any approach utilized to resolve the disagreement. If attempts at resolving the disagreement fail, the

Chief, Acquisition and Assistance Management Services, or the Regional Director, whichever is applicable, shall make a decision which shall be final and conclusive.

d. Nothing herein shall be construed to delay or limit Reclamation's right to take immediate and appropriate action, as set forth at 43 CFR Subpart 12.83 or 12.962, as applicable, in the event of material noncompliance by the recipient, and no attempts at informal resolution shall be necessary.

Any post award issue will be open for resolution in accordance with the above procedures, with the exception of disagreements regarding continuation of the agreement (termination must be in accordance with 43 CFR 12), or other matters specifically addressed by the agreement itself.

## **7. Lobbying Restrictions**

In accordance with Section 501 of the Energy and Water Development Appropriations Act, 2002, Public Law 107-66, please be advised of the following:

None of the funds appropriated by this Act may be used in any way, directly or indirectly, to influence Congressional action on any legislation or appropriation matters pending before Congress, other than to communicate to Members of Congress as described in 18 U.S.C.1913.

## **8. Electronic Funds Transfer (EFT)**

In accordance with the Debt Collection Improvement Act of 1996, 31 CFR 208, effective January 2, 1999, all Federal payments to recipients must be made by EFT unless a waiver has been granted in accordance with 31 CFR 208.4. Upon award of a financial assistance agreement, Reclamation will provide the recipient with further instructions for implementation of EFT payments or a certification form to request exemption from EFT.

## **9. Increasing Seat Belt Use in the United States - Executive Order 13043**

In accordance with 43 CFR 12.2(e), if you are awarded a grant or cooperative agreement, the following provision is applicable, and shall be incorporated into any grant or cooperative agreement which the recipient awards to a subrecipient:

Recipients of grants/cooperative agreements and/or sub-awards are encouraged to adopt and enforce on-the-job seat belt use policies and programs for their employees when operating company-owned, rented, or personally owned vehicles. These measures include, but are not limited to, conducting education, awareness, and other appropriate programs for their employees about the importance of wearing seat belts and the consequences of not wearing them.

## **10. Endorsement of Commercial Products and Services**

In accordance with 43 CFR 12.2(d), this provision applies to grants and cooperative agreements whose principal purpose is a partnership where the recipient contributes resources to promote

agency programs, publicize agency activities, assists in fund-raising, or provides assistance to the agency. If the agreement is awarded to a recipient, other than a State government, a local government, or a federally-recognized Indian tribal government, and the agreement authorizes joint dissemination of information and promotion of activities being supported, the following provision shall be made a term and condition of the award:

Recipient shall not publicize or otherwise circulate, promotional material (such as advertisements, sales brochures, press releases, speeches, still and motion pictures, articles, manuscripts or other publications) which states or implies governmental, Departmental, bureau, or government employee endorsement of a product, service or position which the recipient represents. No release of information relating to this award may state or imply that the Government approves of the recipient's work products, or considers the recipient's work product to be superior to other products or services.

All information submitted for publication or other public releases of information regarding this project shall carry the following disclaimer:

"The views and conclusions contained in this document are those of the authors and should not be interpreted as representing the opinions or policies of the U.S. Government. Mention of trade names or commercial products does not constitute their endorsement by the U.S. Government."

Recipient must obtain prior Government approval for any public information releases concerning this award which refer to the Department of the Interior or any bureau or employee (by name or title). The specific text, layout photographs, etc. of the proposed release must be submitted with the request for approval.

A recipient further agrees to include this provision in a subaward to any subrecipient, except for a subaward to a State government, a local government, or to a federally-recognized Indian tribal government.

## **11. Certifications**

The following certifications are incorporated by reference and made a part of this agreement:

Certifications Regarding Debarment, Suspension, and Other Responsibility Matters, Drug-free Workplace Requirements and Lobbying (DI-2010). Goodyear's proposed budget, dated March 22, 2004 is hereby incorporated by reference.

**ATTACHMENT 1**

Goodyear will be responsible for the completion of the study work, the oversight of the work and publication and for the selection of the entity conducting the analysis, research, writing, editing, and publishing of the report on options for treating brackish water in the WSRV. The following work items encompass an outline of the work items that shall be completed.

A. Benchmarking – An analysis of WSRV water users/providers insight into the quantity and quality of water which will be delivered and demanded in the future, and the benefits to developing brackish water supplies.

1. The study shall include a water users/providers analysis and shall include the following in the analysis:
  - a. A survey of water users and stakeholders in water quantity and quality planning that have an interest in the development of potable water supplies. Documentation should be comprehensive to include all stakeholders who have an interest with respect to the water supply and brine disposal, and could include municipalities, State agencies, Federal agencies, an environmental groups, industry, real estate interests, commercial development, and recreation groups.
  - b. The benefits and/or drawbacks to all water user groups which are mentioned above.
2. Some obvious examples that require more-in-depth analysis include:
  - a. El Paso Water Utilities, Texas – The arid city of El Paso is facing many of the same issues with respect to lack of acceptable water that the WSRV is addressing. El Paso is proceeding with the design of a Reverse Osmosis (RO) facility capable of handling between 10 and 26 million gallons per day (MGD). One of its major hurdles was deciding on the handling of concentrate produced in the RO process.
  - b. Florida has several facilities , one with particular relevance is the Tampa Bay Desalination facility – This is a 25 MGD facility for which all permitting has been completed and construction will be completed shortly. A unique feature of this example is that the facility was funded by a private company accompanied by a water purchase agreement with the Tampa Bay Water District.
  - c. Southern California – Several cities have implemented brackish ground-water recovery and reverse osmosis to treat extracted ground water. The city of Oceanside's 2-MGD facility and the Sweetwater Authority's 4-MGD Chula Vista facilities are two examples. While



the capacity of these facilities is low, their operational experience will be useful in the technical evaluation. Other sites to be investigated in detail should include the Santa Ana Watershed Authority, the cities of Corona, and Fort Stockton.

B. Water Supply, Adequacy, Reliability, and Quality-Existing studies have quantified future water demand for the WSRV and examined various importation schemes. The major gap in current knowledge is whether any geologic constraints exist for the use of the brackish water known to exist in the area. Specific issues that need to be addressed include:

1. Long-Term Availability – Goodyear will use the WSRV ground-water model to examine various scenarios including shallow and deep ground water removal. The scenarios will be developed in conjunction with several of the other studies discussed below. At a minimum, such a scenario will need to include the implications on local agriculture and downgradient water users.
2. Total Dissolved Solids (TDS) Concentrations – The Arizona potable water secondary maximum contaminant level (MCL) guidelines for TDS are 500 mg/L. Existing GIS based TDS data from local area ground-water sources will be used to gain an understanding of TDS levels in the WSRV. This data will be used in conjunction with WSRV ground-water model runs to gain an understanding of the potential movement of TDS concentrations upon pumping of brackish water.
3. Contaminants-Based on available information, the study will identify contaminants that may have an effect on industry standard treatment processes. Ions such as arsenic fluoride, nitrate, and iron are expected to be of concern and warrant a future analysis.

C. Legal Issues-Issues include the legal factors that influence the siting, design, and utilization of brackish ground-water treatment facilities. These include the following:

1. The legal right by various types of entities to pump ground water in the WSRV for municipal, industrial, and commercial purposes, and the ability to pledge these supplies for long-term utilization under the State's Groundwater Code and Assured Water Supply regulations.
2. The specific implication of pumping within the "waterlogged" area (as referenced in ARS 45-411.01) as related to the Assured Water Supply Program.

D. Concentrate Disposal- Based upon preliminary review of other facilities, the single largest challenge anticipated for desalination of brackish ground water in land-locked arid regions such as the WSRV is the disposal, or utilization, of the

desalting reject (concentrate). A preliminary estimate of the anticipated volume of concentrate based upon the operating experience of other plants is that as much as 20 percent of the raw water treated is discharged as waste. Various alternatives for concentrate disposal in the WSRV need to be considered. These are highly dependent on the treatment technology selected. Options identified in prior studies are listed below. A "short list" of selected options will be further evaluated in this study and a summary of conceptual level cost components and constraints of each method shall be provided. These include:

1. Deep well injection
2. Evaporation ponds
3. Solar ponds
4. Spray evaporation
5. Landfill
6. Beneficial Use (other use/reuse)
7. Dew-evaporation